LEGAL NOTICE

STATE OF LOUISIANA, OFFICE OF CONSERVATION, BATON ROUGE, LOUISIANA.

In accordance with the laws of the State of Louisiana, and with particular reference to the provisions of Title 30 of Louisiana Revised Statutes of 1950, a public hearing will be held in the Hearing Room, 1st Floor, LaSalle Building, 617 North 3rd Street, Baton Rouge, Louisiana, at 9:00 a.m., on TUESDAY, JANUARY 13, 2004, upon the application of KCS RESOURCES, INC.

At such hearing the Commissioner of Conservation will consider evidence relative to the issuance of an Order pertaining to the following matters relating to the **Hosston Formation**, **Reservoir A**, the Cotton Valley Formation, Reservoir A and the Lower Cotton Valley Formation, Reservoir A, in the Elm Grove Field, Caddo and Bossier Parishes, Louisiana.

- 1. To authorize KCS Resources, Inc. to drill, complete and utilize three additional alternate unit wells on HOSS RA SU14, CV RA SU14 and LCV RA SUK at the locations in Section 5, Township 16 North, Range 11 West, two of which are exceptional locations, as shown on the plats submitted with the application.
- 2. To authorize KCS Resources, Inc. to drill, complete and utilize an additional alternate unit well on HOSS RA SU15, CV RA SU15 and LCV RA SUJ at the exceptional location in Section 4, Township 16 North, Range 11 West, as shown on the plats submitted with the application.
- 3. To authorize KCS Resources, Inc. to drill, complete and utilize four additional alternate unit wells on HOSS RA SU16, CV RA SU16 and LCV RA SUI, at the exceptional locations in Section 3, Township 16 North, Range 11 West, as shown on the plats submitted with the application.
- 4. To authorize KCS Resources, Inc. to drill, complete and utilize four additional alternate unit wells on HOSS RA SU21, CV RA SU21 and LCV RA SUG in Section 10, Township 16 North, Range 11 West, three of which are exceptional locations, as shown on the plats submitted with the application.
- 5. To authorize KCS Resources, Inc. to drill, complete and utilize two additional alternate unit wells on HOSS RA SU23, CV RA SU23 and LCV RA SUE in Section 8, Township 16 North, Range 11 West, one of which location is exceptional, as shown on the plats submitted with the application.
- 6. To authorize KCS Resources, Inc. to complete and utilize the KCS Resources, Inc. Woodley No. 2 Well as an additional alternate unit well for HOSS RA SU23 and CV RA SU23 in Section 8, Township 16 North, Range 11 West, at the existing exceptional location, as shown on the plats submitted with the application.
- 7. To authorize KCS Resources, Inc. to drill, complete and utilize three additional alternate unit wells on HOSS RA SU33, CV RA SU33 and LCV RA SUD at the exceptional locations in Section 17, Township 16 North, Range 11 West, as shown on the plats submitted with the application.

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ELM GROVE FIELD

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- 8. To authorize KCS Resources, Inc. to drill, complete and utilize two additional alternate unit wells on HOSS RA SU34, CV RA SU34 and LCV RA SUC at the exceptional locations in Section 16, Township 16 North, Range 11 West, as shown on the plats submitted with the application.
- 9. To authorize the unit allowable for these Hosston Formation, Reservoir A, Cotton Valley Formation, Reservoir A and Lower Cotton Valley Formation, Reservoir A, units to be recovered from any of the wells located on the units, at the discretion of the operator.
- 10. To consider such other matters as may be pertinent.

The Hosston Formation, Reservoir A, in the Elm Grove Field, Caddo and Bossier Parishes, Louisiana, initially identified as the Hosston Zone, was defined in Office of Conservation Order No. 361-A-1, effective on and after October 1, 1972, and was further defined, and identified as the Hosston Formation, Reservoir A, in Office of Conservation Order No. 361-A-5, effective May 25, 1977.

The Cotton Valley Formation, Reservoir A, in the Elm Grove Field, Caddo and Bossier Parishes, Louisiana, was fully defined in Office of Conservation Order No. 361-B, effective on and after October 1, 1973 and was further defined by subsequent orders of the 361-B Series.

The Lower Cotton Valley Formation, Reservoir A, in the Elm Grove Field, Bossier Parish, Louisiana, was fully defined in Office of Conservation Order No. 361-E, effective on and after July 16, 1996.

Plats are available for inspection in the Office of Conservation in **Baton Rouge** and **Shreveport**, Louisiana.

www.dnr.state.la.us/CONS/CONSEREN/hearings/pubhearings.htm.

All parties having interest therein shall take notice thereof.

BY ORDER OF:

JAMES H. WELSH COMMISSIONER OF CONSERVATION

Baton Rouge, La 12/4/03;12/9/03 S dpe

IF ACCOMMODATIONS ARE REQUIRED UNDER AMERICANS WITH DISABILITIES ACT, PLEASE ADVISE THE OFFICE OF CONSERVATION - ENGINEERING DIVISION AT P. O. BOX 94275, BATON ROUGE, LA 70804-9275 IN WRITING WITHIN TEN (10) WORKING DAYS OF THE HEARING DATE.